



**Grant
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

AGENDA ITEM NO.: 3
AGENDA DATE: Thu 01/27/2005
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SUBJECT: Authorize application for \$1,500,000 in grant funding from the U.S. Department of Commerce Economic Development Administration for capital improvements to the Austin Film Studios.

AMOUNT & SOURCE OF FUNDING: Funding is available from the U.S. Department of Commerce Economic Development Administration for the grant period March 2005-March 2006. The City's required match is \$800,000. Funding in the amount of \$500,000 is available in the Capital Budget of Austin Energy, and \$300,000 is available in the Capital Budget of Austin Water Utility.

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

REQUESTING Economic Growth and **DIRECTOR'S**
DEPARTMENT: Redevelopment Services **AUTHORIZATION:** Sue Edwards

FOR MORE INFORMATION CONTACT: Vincent Kitch, Cultural Arts Program Manager / 974-9310

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: N/A

PURCHASING: N/A

MBE / WBE: N/A

This action authorizes the City to apply as a co-applicant with the Austin Film Society for \$1,500,000 from the U.S. Department of Commerce Economic Development Administration for capital improvements to Austin Film Studios located at the former Robert Mueller Airport. The multi-year grant would cover construction improvements anticipated to begin in March 2005 and be completed March 2006. The required match totaling \$800,000 will be met by an investment of equipment and services including water chillers (\$500,000 Austin Energy) and water supply lines (\$300,000 Austin Water Utility). In addition, Austin Film Studios will provide staff for project management and Cultural Arts Division staff will also assist in facilitating the project and grant management.

This grant application supports actions for development of the film industry as outlined in the Film and Visual Media economic impact study commissioned by Council in July 2004. The nearly \$2.5 million construction project is focused to develop one fully functional sound stage including: structural improvements, soundproofing, fire suppression systems, electrical and plumbing upgrades and HVAC systems. All improvements will be made to one former airplane hanger at the Austin Studios facility, on the site of the former Robert Mueller airport.

These capital improvements are projected to enhance the capabilities of the film studios and increase Austin's competitive position within the film industry. Investment in upgrading the studios was identified as a key strategy in the economic impact study for the City to support further development and long-term sustainability of the film industry. These upgrades are projected to expand and enhance educational programs, workforce development programs, film industry business development, and job creation and tax revenues.